

APPENDIX: CALIFORNIA TRADE STATISTICS

Merchandise Trade¹

California is distinguished from most other states by being strong in international trade of both merchandise and services, along with serving as the principal U.S. gateway for waterborne shipping, air cargo, and passenger travel.

In 2014, California traded with 229 foreign markets, exporting \$174.1 billion in California goods. Approximately 10.7% of all United States exports are produced in California and approximately 17% of United States imports have a final destination of California.

CALIFORNIA MERCHANDISE TRADE IN 2014 (US\$ billions)	EXPORTS State Origin of Movement	IMPORTS State of Final Destination	TOTAL Two-Way Trade
European Union (28)	\$29.6	\$31.6	\$61.2
Mexico	\$25.4	\$41.2	\$66.6
Canada	\$18.2	\$27.9	\$46.1
PR China	\$16.0	\$137.7	\$153.7
Japan	\$12.3	\$38.3	\$50.6
South Korea	\$8.6	\$15.0	\$23.6
Totals for World	\$174.1	\$403.5	\$577.6

Services Trade

On top of the merchandise flows listed above, it is essential for policy makers to consider trade in services as well.

A service export takes place any time a foreign individual or business purchases something from a California supplier, and that purchase is for entertainment, engineering plans, computer code, ideas, advice, experiences, or anything else that can't be put into a box.

¹ Import data represents goods specified as 'State of Final Destination – California' plus Foreign Trade Zones located in California. Export Data represents goods specified as 'Origin of Movement – California.'
 Source: U.S. Census Bureau: Foreign Trade Data, U.S. International Trade Administration.

The types of services that can be sold internationally by California entities include educational services for foreign students and professionals; energy and environmental services; technical, engineering and scientific services; real estate services; architecture and design services; shipping and warehousing logistics; software and IT services; finance, banking and insurance; legal services; and travel and tourism (including both attracting foreign travel to California and consulting services related to travel facilities abroad).

In 2013 (the most recent year that data is available), California ranked first in service exports with an estimated value of \$114.1 billion, approximately 15% of total United States Services exported.

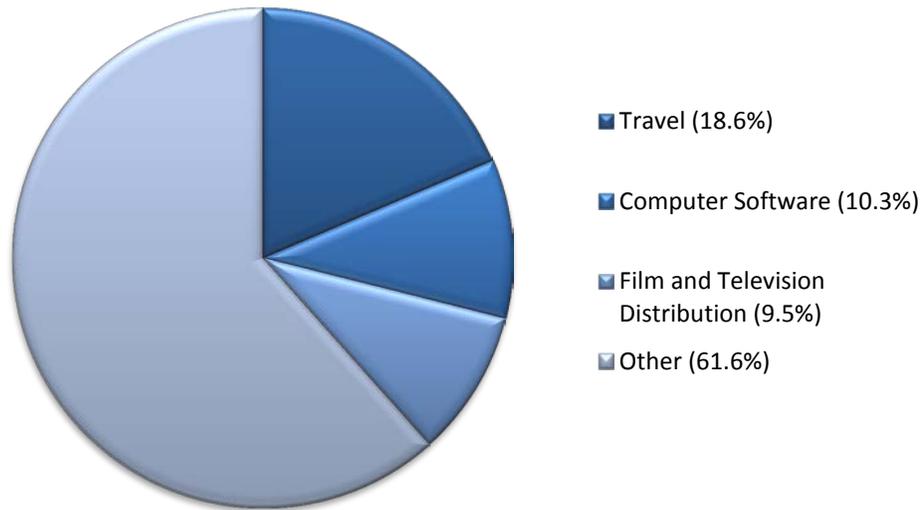
International sales of California services keep California the top exporting state in the nation, although Texas leads California strictly on merchandise sales.

CALIFORNIA SERVICES EXPORTS IN 2013 ² TOP TRADING PARTNERS	CA SERVICE EXPORTS (US\$ billions)
European Union (28)	\$39.9 ³
Canada	\$10.2
Japan	\$7.8
PR China	\$5.7
Mexico	\$4.5
South Korea	\$3.6
Totals for World	\$114.1

² U.S. Business Roundtable

³The Atlantic Council, http://www.atlanticcouncil.org/images/publications/TTIP_and_the_50_States_WEB.pdf

CALIFORNIA SERVICES EXPORTED



Investment

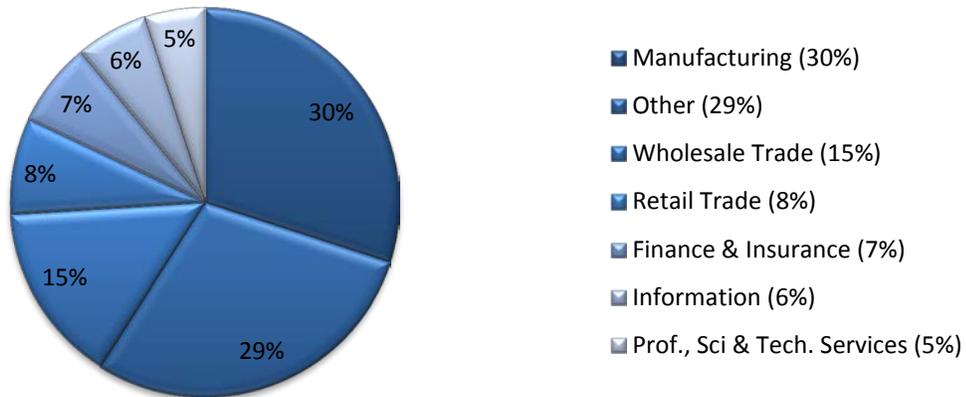
The term “investment” encompasses stocks and bonds, the direct purchase of real estate or construction of a facility (also known as foreign direct investment), or through other kinds of investment activity such as equity compensation as consideration for services or other value provided.

When looking at trade and investment activity, it is important to recognize two different types of measurement. Flow measurements quantify something over time. A stock measure tallies the quantity of something at a particular point in time. Stock and flow measures can be easily confused in investment data, where the typical data point is a stock measure "the value of plant, property and equipment was \$1bn at the end of last year" but activity can also be expressed as a flow, as in "the value of new investments last year (flow during the year) reached \$100mn."

California is the number one state for attracting foreign direct investment⁴. In 2013, foreign-owned companies employed approximately 602,800 Californian workers. Foreign investment in California was responsible for 4.7% of the state's total private-industry employment in 2013. California workers are employed across many industries:

⁴ Congressional Research Service

CALIFORNIA WORKERS ACROSS INDUSTRIES (Employed by foreign owned companies)



Foreign-owned companies that employ workers in California, include:

- 110,800 by companies based in Japan
- 86,800 by companies based in United Kingdom
- 69,400 by companies based in France
- 65,800 by companies based in Switzerland
- 61,100 by companies based in Germany

COUNTRIES WITH COMPANY SITES IN CALIFORNIA ⁵	NUMBER OF SITES
JAPAN	75
UK (ENGLAND, SCOTLAND, WALES, N.IRELAND)	75
CANADA	52
FRANCE	38
GERMANY	34
GREATER CHINA	28
KOREA, REPUBLIC OF	24
SWITZERLAND	21
AUSTRALIA	20
INDIA	14

⁵ Dun & Bradstreet Sales & Marketing Solutions, 2012

Shipping⁶

California – and our ports and airports – are strategically important as a shipping gateway for the entire United States. Shipping, trucking, warehousing, and related logistics jobs represent generally well paid careers for workers possessing a high school diploma or only one or two years of postsecondary study.

Value of Exports and Imports through California’s Custom Districts⁷:

CUSTOMS DISTRICTS – TRADE, 2013 <i>(in billions except otherwise noted)</i>	EXPORTS	IMPORTS	TOTAL Two-Way Trade
Los Angeles	\$126.96	\$287.8	\$414.8
San Francisco	\$54.23	\$69.68	\$123.9
San Diego	\$20.63	\$38.28	\$58.91
TOTAL CALIFORNIA	\$201.82	\$395.76	\$597.6
TOTAL USA⁸	\$1.58 trillion	\$2.27 trillion	\$3.85 trillion

⁶ “2014 El Paso, Texas Trade Numbers” World City 2014

⁷ California Department of Finance

⁸ WorldCity Analysis of U.S. Census Bureau Data, 2014